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S E C R E T THE HAGUE 002210

SIPDIS

STATE FOR EB/ESC/ESP (GLASS), S/CT (FOX), EUR/ERA(PARKER),
IO/PHO (PEREZ)
NSC FOR JMEYERS
TREASURY FOR GENERAL COUNSEL (AUFHAUSER), TREASURY
(ZARATE), TASK FORCE ON TERRORIST FINANCING, OFAC DIRECTOR
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2003-09-02

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Embassy The Hague

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(NEWCOMB)
JUSTICE FOR OIA/JFRIEDMAN
FBI FOR LORMEL
BRUSSELS ALSO FOR LEGATT

E.O. 12958: DECL: 09/02/2013

TAGS: [ETTC](#) [KPAL](#) [PTER](#) [EUN](#) [NL](#)

SUBJECT: TERRORIST ASSETS: SECRETARY'S MESSAGE TO EU
FOREIGN MINISTERS ON DESIGNATION OF HAMAS

REF: A. STATE 249877

[1](#)B. STATE 250490

Classified By: Charge d'Affaires a.i. Daniel Russel Reasons 1.5(b) and
(d)

[1](#)1. (C) Acting Economic Counselor delivered the Secretary's message (ref a) and peace process section of Gymnich demarche (ref b) to Dutch Political Affairs Director Werner on September 2 with a request that they be conveyed to Foreign Minister de Hoop Scheffer in advance of the FM's September 3 meeting with Secretary Powell in Washington. Prime Minister Balkenende and FM de Hoop Scheffer are also scheduled to meet 9/2 with the Vice President and 9/3 with the President in Washington.

[1](#)2. (S) Werner reiterated Dutch support for designating Hamas and its fundraisers and said FM de Hoop Scheffer would push for this at Gymnich. Werner thought the PA's freezing of Hamas-related bank accounts and proactively asking for EU action against Hamas fundraising would make it much easier for the EU to go forward with a designation. A/Econcouns stressed the importance of the EU's not only designating Hamas but taking proactive measures to disrupt Hamas fundraising, including through investigating and designating supporters and front organizations. A/Econcouns mentioned the Dutch designation of the Al Aqsa Foundation and freezing of 200,000 euro in its funds as a positive example, although more needed to be done. Werner thought the informality of the Gymnich meeting would be more conducive to a French change of position than would a more formal EU Council meeting. (Note: In a separate meeting with Poloff, Werner's deputy noted that pressure on France from other EU members is heavy right now.) Werner asked whether the USG had any specific information on the fifty bank accounts of Hamas-related charities frozen in Gaza and inquired whether the U.S. planned to freeze the accounts of these institutions as well.

[1](#)3. (S) Werner said that an EU move to cut off Hamas fundraising should be followed by an approach to Israel to end targeted killings of Hamas leaders. Werner stressed the importance and difficulty of assuring that humanitarian assistance to the Palestinians continues to flow once Hamas charities are cut out. Funneling assistance thorough the PA could strengthen Abu Mazen's position, say the Dutch, but Hamas and its supporters are thoroughly interwoven into the Palestinian charitable network. Delivering effective

assistance, the Dutch note, cannot be not accomplished simply by increasing the amount of funding available to UNWRA or the PA: the absorptive capability of these organizations is limited and the security situation on the ground possibly perilous. It is very positive, say the Dutch that the Palestinian Finance Minister has moved to tighten controls on PA finances including parastatals. Werner noted that the EU has tried to condition its provision of additional assistance to the Palestinian Authority on the PA's behaving responsibly in the Middle East peace process.

RUSSEL